

HOUSE BILL NO. 4002

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-SECOND LEGISLATURE - FOURTH SPECIAL SESSION

BY THE HOUSE SPECIAL COMMITTEE ON WAYS AND MEANS

Introduced: 10/4/21

Referred: Resources, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to nonrefundable tax credits against the oil and gas production tax;
2 and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 43.55.024(j) is amended to read:

5 (j) A producer may apply against the producer's tax liability for the calendar
6 year under AS 43.55.011(e) a tax credit in the amount specified in this subsection for
7 each barrel of oil taxable under AS 43.55.011(e) that does not receive a reduction in
8 the gross value at the point of production under AS 43.55.160(f) or (g) and that is
9 produced during a calendar year after December 31, 2013, from leases or properties
10 north of 68 degrees North latitude. A tax credit under this subsection may not reduce a
11 producer's tax liability for a calendar year under AS 43.55.011(e) below the amount
12 calculated under AS 43.55.011(f). The amount of the tax credit for a barrel of taxable
13 oil subject to this subsection produced during a month of the calendar year is

14 (1) \$4 [\$8] for each barrel of taxable oil if the average gross value at

1 the point of production for the month is less than \$80 a barrel;

2 (2) \$3 [\$7] for each barrel of taxable oil if the average gross value at
3 the point of production for the month is greater than or equal to \$80 a barrel, but less
4 than \$90 a barrel;

5 (3) \$2 [\$6] for each barrel of taxable oil if the average gross value at
6 the point of production for the month is greater than or equal to \$90 a barrel, but less
7 than \$100 a barrel;

8 (4) \$1 [\$5] for each barrel of taxable oil if the average gross value at
9 the point of production for the month is greater than or equal to \$100 a barrel, but less
10 than \$110 a barrel;

11 (5) zero [\$4 FOR EACH BARREL OF TAXABLE OIL] if the
12 average gross value at the point of production for the month is greater than or equal to
13 \$110 a barrel [, BUT LESS THAN \$120 A BARREL];

14 (6) \$3 FOR EACH BARREL OF TAXABLE OIL IF THE AVERAGE
15 GROSS VALUE AT THE POINT OF PRODUCTION FOR THE MONTH IS
16 GREATER THAN OR EQUAL TO \$120 A BARREL, BUT LESS THAN \$130 A
17 BARREL;

18 (7) \$2 FOR EACH BARREL OF TAXABLE OIL IF THE AVERAGE
19 GROSS VALUE AT THE POINT OF PRODUCTION FOR THE MONTH IS
20 GREATER THAN OR EQUAL TO \$130 A BARREL, BUT LESS THAN \$140 A
21 BARREL;

22 (8) \$1 FOR EACH BARREL OF TAXABLE OIL IF THE AVERAGE
23 GROSS VALUE AT THE POINT OF PRODUCTION FOR THE MONTH IS
24 GREATER THAN OR EQUAL TO \$140 A BARREL, BUT LESS THAN \$150 A
25 BARREL;

26 (9) ZERO IF THE AVERAGE GROSS VALUE AT THE POINT OF
27 PRODUCTION FOR THE MONTH IS GREATER THAN OR EQUAL TO \$150 A
28 BARREL].

29 * **Sec. 2.** This Act takes effect January 1, 2022.